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~~SECURITY INFORMATION~~

October 25, 1951

ACTION BY PSYCHOLOGICAL STRATEGY BOARD RELATIVE TO  
PROBLEM OF CARING FOR REFUGEES FROM IRON CURTAIN  
COUNTRIES.

A meeting of the Psychological Strategy Board was held on October 25, 1951. All members of the Board (General Smith, Director of Central Intelligence Agency, Chairman; Under Secretary of State Webb; Deputy Secretary of Defense Foster) and the Director (Gordon Gray) were present.

Among other topics, the Board discussed the existing situation, especially in Europe, with reference to persons escaping from the Soviet Union or Soviet-dominated areas into territory not subject to Soviet control. It was pointed out that the manner in which such escapees were taken care of in the areas to which they escaped had a very important bearing upon future defection, upon potential guerillas now resident in Iron Curtain countries, and upon the reception given to free world propaganda addressed to audiences in those countries. The current termination by I.R.O. of its operations would greatly increase the problem of taking care of a continuing stream of refugees, and it was most desirable that a new program or programs be developed to care for such refugees in a manner which would have the maximum favorable psychological effect.

It was pointed out that such a new program or programs would require major financing. Doubt was expressed as to the extent to which any funds might be available for such purpose under that clause in Sec. 101 (a) of the Mutual Security Act of 1951 by which the President is authorized, upon certain determinations by him, to invade to an amount not exceeding \$100,000,000 the military assistance funds thereby provided for the organization of selected persons residing in, or escapees from, the Soviet Union or Soviet-dominated territory into military elements supporting NATO or for other purposes. It was pointed out that the moneys appropriated under the Act for both military and economic assistance were considerably less than originally requested by the Administration; that the military assistance funds were burdened with the heavy costs of NATO infrastructure, not planned for in the original requests; and that it might be necessary to exercise in full the President's right to switch up to 10% of the diminished military assistance funds to the economic category.

Reference was made to the number of agencies which had already indicated an interest in the refugee-defector subject and to the possibility that other agencies might have suggestions as to programs and financing.

In view of the importance to psychological, strategic, and operational planning, and to obtaining intelligence necessary thereto, of arranging

~~TOP SECRET~~

TOP SECRET

- 2 -

for the care of escapees from the Iron Curtain countries and of developing a program or programs therefor, and methods of financing the same, with minimum confusion and waste time, the Board approved the following actions:

(1) That the Psychological Strategy Board call a joint meeting of all agencies concerned with the problem of defectors, refugees and potential guerrillas now resident in the Iron Curtain countries for the purpose of considering what, if any, concrete projects and programs might be undertaken by the United States Government with respect to such defectors, refugees and potential guerrillas if funds therefor were available. *Phase I and II*

(2) That the Psychological Strategy Board provide a steering member to a panel which is directed (a) to consider what, if any, projects and programs of the foregoing character might further national strategic objectives; (b) to monitor the development of specific projects and programs that meet this requirement; (c) to coordinate any such project or program with national strategic objectives; and (d) to consider all possible sources for the financing thereof.

(3) In the event that the studies contemplated under (2) above should indicate that certain specific programs and projects having merit cannot be financed without recourse to section 101 (a) of the Mutual Security Act of 1951, that the Psychological Strategy Board or such of its constituent agencies as may be primarily involved submit such projects and programs for the consideration of the Director of Mutual Security.

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NOTICE OF DETACHMENT

(DATE)

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